

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1880 – HB 2038

March 7, 2016

**SUMMARY OF ORIGINAL BILL:** Reduces the amount a medical provider may charge for copies of medical reports, medical records, or documents relating to a workers' compensation claim from \$10.00 for the first 20 pages with each additional page being \$0.25, to \$10.00 for the first 30 pages with each additional page being \$0.25.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (013383):** Deletes all language of the original bill. Requires the Administrator of the Bureau of Workers' Compensation (BWC) to establish a system of case management for coordinating medical care services provided to employees claiming benefits that includes a minimum set of standards. Requires all case managers and case manager assistants be certified by the BWC prior to offering case manager services. Requires a penalty ranging from \$100 to \$1,000 for any violation of these requirements and standards.

Authorizes a civil penalty against any entity employing individuals who adjust workers' compensation claims that are out of compliance with the standards set forth by the BWC. Penalties, if assessed, must be in the range of \$50 to \$5,000 per violation.

Sets an effective date of January 1, 2017.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Revenue – Exceeds \$2,600/FY16-17**  
**Exceeds \$5,300/FY17-18 and Subsequent Years**

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Assumptions for the bill as amended:

- Based on information provided by BWC, the provisions of the bill as amended can be executed within existing resources without an increased appropriation or a reduced reversion.
- It is reasonably assumed that the average fine for a violation of the established case management system will be \$250.
- A minimum of one violation per grand division will occur annually for a total of three each year.
- It is reasonably assumed that the average fine for a violation of entities employing individuals who adjust workers' compensation claims that are out of compliance with the standards set forth by the BWC will be \$500.
- A minimum of three violations per grand division will occur annually for a total of nine each year.
- All penalty and fine revenue will be deposited in the state General Fund.
- The total recurring increase in state revenue to the General Fund is estimated to exceed \$5,250  $[(\$250 \times 3) + (\$500 \times 9)]$  in FY17-18 and subsequent years.
- Given the effective date of January 1, 2017, the increase in state revenue to the General Fund in FY16-17 is estimated to exceed \$2,625  $(\$5,250 \times 50.0\%)$ .

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Increase Business Expenditures – Exceeds \$2,600/FY16-17**  
**Exceeds \$5,300/FY17-18 and Subsequent**  
**Years**

Assumptions for the bill as amended:

- The provisions of the bill as amended will result in a recurring increase in business expenditures estimated to exceed \$2,600 in FY16-17 and estimated to exceed \$5,250 FY17-18 and subsequent years.
- The provisions of the bill as amended are not anticipated to have a significant impact on the number of jobs in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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